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FM AMEMBASSY BRASILIA

TO RUEHC/SECSTATE WASHDC PRIORITY 6835

INFO RUEHRI/AMCONSUL RIO DE JANEIRO 2984

RUEHSO/AMCONSUL SAO PAULO 8178

RUEHRC/AMCONSUL RECIFE 5549

RUEHBJ/AMEMBASSY BEIJING 0317

RUEHNE/AMEMBASSY NEW DELHI 0228

RUEHSA/AMEMBASSY PRETORIA 0588

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DEPT FOR GMANUEL; JMIOTKE; WPOPP; FCORNIELLE; PBATES; MMCMANUS;

BHAENDER; TSCOTT

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SUBJECT: REPORT ON BRAZIL WORKSHOP ON MEASUREMENTS AND STANDARDS FOR BIOFUELS

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¶1. (U) Summary: The National Institute of Standards and Technology (NIST) co-sponsored with their Brazilian counterpart, the National Institute of Metrology, Standardization and Industrial Quality (INMETRO), a workshop entitled, "Measurements and Standards for Biofuels: Enabling a Transition from Petroleum as Vehicular Energy Source" to explore cooperation on metrology and standards for biofuels. The Brazilian presentations were illuminating and shed some light why the Government of Brazil (GoB) believes a research partnership in biofuels is to their advantage. The GoB is seeking a globally-accepted international standard in biofuels to facilitate trade; partner in scientific research to dispel the myth that biofuels corrode engines and pipelines and to develop a method of certifying labs globally to ensure that measurements of biofuels are based on good science with traceability to national standards. End Summary

¶2. (U) The U.S.-Brazil Workshop on Measurements and Standards for Biofuels, held September 14-15, 2006, Rio de Janeiro, Brazil, was the product of two separate bilateral initiatives. Although it was agreed to as part of the U.S.-Brazil Commercial Dialogue during Secretary Gutierrez and Minister Furlan meeting on June 6, and its

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importance endorsed in the joint statement issued by the U.S.-Brazil Ministerial Level Joint Commission Meeting on Scientific and Technological Cooperation, held in Washington, DC, July 21, 2006, an important impetus was the Advanced Energy Initiative recently launched by President Bush, a plan designed to help the U.S. move beyond fossils fuels dependency by expanding the development of alternative energy sources.

¶3. (U) The U.S delegation was headed by Dr. Hratch Semerjian, Chief Scientist, Office of the Director at NIST and Dr. Willie May, Director of NIST's Chemical Science and Technology Laboratory. The 13-member U.S. delegation also included representatives/presentations from the Organization of American States (OAS), Environmental Protection Agency, Georgia Department of

Agriculture, NIST and ASTM International, an international standards organization, in addition to the ESTH Counselor from U.S. Embassy in Brasilia and representatives from Consulates in Rio and Sao Paulo.

¶4. (U)INMETRO President Joao Jornada, the host, opened by discussing Brazil's outlook on biofuels as it relates to science and technology. Jornada said that Brazil's successful use of biofuels can be credited, primarily, to their native technology that created the flex fuel engines for automobiles. (Brazil's flex fuel cars can be run on gasoline, ethanol or ANY combination of the two. Flex fuel cars were introduced to the Brazilian public in 2003 and today nearly 70 percent of the new passenger cars sold are flex.)

¶5. (U)Jornada said that Brazil wants a global standard for biofuels, a prelude to it becoming a commodity. In order to perform the measurements related to those standards in secondary laboratories and industrial locations throughout Brazil, the GoB would like to partner with the U.S. in the production and certification of the necessary reference materials.

¶6. (U)Jornada said Brazil would like to overcome the mistaken belief by some investors that the use of biofuels in the long term could have a corrosive effect on engines, motors and pipelines. The GoB is investing in long term studies to produce scientific evidence to the contrary.

¶7. (U)The most enlightening Brazilian presentation came from Dr. Jose Felix Silva Junior, representative from ethanol-producing giant Copersucar and UNICA (Sugar AgroIndustry of Sao Paulo, as he highlighted the challenges facing the Brazil's producers today. The lack of universal standards heads the list of headaches. As an example, he displayed a chart showing that The New York Board of Trade, various countries in Europe, the international standards organization ASTM and Brazil all have different specifications for anhydrous ethanol. This has resulted in the Brazilian producer receiving queries from perspective buyers asking for a product he cannot produce.

¶8. (U)Another major problem highlighted is the lack of uniform

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methods for ethanol analysis. The Brazilians suggested the establishment of a simple measurement system that can be performed in almost any laboratory without special equipment and specially trained technicians. A uniform method of measuring would have prevented a recent problem encountered by the Brazilians, where the analysis of the product when shipped was different than the analysis at the receiving port, resulting in a refused shipment and litigation in London that lasted for years.

¶9. (U)Another important issue discussed is the relevance of the items being measured. Therefore definition of relevant measurements for determining fuel quality (e.g., calorific value, anti-corrosiveness, etc) was identified as an issue for future collaboration. Often in a new product standards are transferred from another related product with no thought to whether the item being measured gives added value.

¶10. (U)INMETRO is working with Brazilian industry to resolve some of these issues. New equipment is being purchased and training provided at regional laboratories in measurements and the calibration of equipment. Further, to prevent an agricultural disease from wiping out an entire harvest, the Brazilians are experimenting with 535 varieties of sugar cane.

¶11. (U)Another interesting presentation focused on the agreements Brazil is signing with other countries. According to Tadeu Aandrade from the Canavieira Technology Center, the GoB has signed agreements with countries in Africa, South Asia, Central America and the Middle East to plant sugar cane in their countries. In one trilateral partnership with the UK and South Africa, Brazil will share research and technology with South Africa, with the UK standing ready to buy all the ethanol South Africa produces. Research agreements are in the works with Angola and Ghana. India is looking to buy sugar mills in Brazil. South Korea also wants to buy distilleries in Brazil and

ship the product to their own country.

¶12. (SBU)Next steps - NIST will discuss internally and with other US agencies the areas highlighted as topics for future discussion and possible research collaboration. These areas are: review of specifications for biofuels and available thermophysical data relevant to processing and characterization of biofuels, identification of current and new reference methods and certified reference materials to improve measurement reliability and critical evaluation of the field methods for assessing fuel quality at the production site and delivery site.

¶13. (SBU)COMMENT: The GoB would like the U.S. to join in taking the lead on laying out the framework for a science-based system of measuring and evaluating standards for the numerous varieties of biofuels that will eventually emerge on the global market. Whether the biofuel is derived from corn, sugar cane or rapeseed, establishment of a science-based system of measurements may prevent future problems like those presently encountered in the area of GMOs. END COMMENT

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